GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1085
ANSWERED ON:23.11.2001
BANK FRAUDS
BIR SING MAHATO;RAM TAHAL CHOUDHARY

Will the Minister of FINANCE be pleased to state:

(a) the number of fraud cases in banks which came to light during the last two years alongwith bank-wise details thereof;

(b)the amount involved in such cases, bank-wise;

(c)the reasons for such fraud cases.

(d) the action taken by the Government to recover amount involved in these cases and to take action against those responsible for the same; and

(e) the amount recovered so far ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)&(b) : According to details reported by Public Sector Banks to Reserve Bank of India (RBI), the number of fraud cases was 1839 in the year 1999 and 1858 in the year 2000 involving Rs.536.63 crores and Rs.538.56 crores respectively. A statement showing bank-wise number of frauds and amount involved therein is given at Annexure.

(c): The primary factors responsible for continued occurrence of frauds in banks are laxity in internal control system, arrears in the balancing of books of accounts and non-reconciliation of inter-branch accounts and non-observance of the laid down systems and procedures by the bank functionaries.

(d) & (e): Banks are taking regular departmental action against the officials found involved in cases of frauds. Banks file civil and criminal suits against borrowers conniving with the officials and seek appropriate reliefs. Cases are also referred to CBI and Police for investigation wherever considered necessary. During the years 1999 and 2000, an amount of Rs.70.65 crores was recovered.

Annexure

Statement showing bank-wise number of frauds and amount involved therein as reported by public sector banks to Reserve Bank of India during the years 1999 and 2000.

(Rs. in crore)

Sl. No.	Name of the Bank	1999		2000	
		No. of frauds	Amount	No. of frauds	Amount
1	State Bank of India	492	04 30.50	23.03	
2	State Bank of Bikaner and Jaipur	546	05 269.15	0.25	
3	State Bank of Hyderabad	32	64.36	32	15.13
4	State Bank of Indore	07	0.86	15	0.92
5	State Bank of Mysore	31	0.92	34	0.71
6	State Bank of Patiala	24	40.47	20	0.74
7	State Bank of Saurashtra	08	0.22	10	6.88
8	State Bank of Travancore	39	15.60	23	0.37
9	Allahabad Bank	39	0.55	55	3.30
10	Andhra Bank	39	11.62	102	14.36
12	Bank of Baroda	64	2.09	83	2.35
13	Bank of India	140	13 22.24	94.17	
		151	03 33.13	1.34	
14	Bank of Maharashtra	16	0.58	03	6.57
15	Canara Bank	286	87.79	203	53.85

16 Central Bank of India 74 13.75 44 3.94
16 Corporation Bank 13 0.78 37 17.50
17 Dena Bank 39 28.08 13 2.30
18 Indian Bank 69 13.26 55 3.88
19 Indian Overseas Bank 55 8.06 41 17.88
20 Oriental Bank of Commerce 10 0.45 22 18.66
21 Punjab National Bank 54 33.51 49 22.52
22 Punjab & Sind Bank 12 11.02 14 13.23
23 Syndicate Bank 97 3.19 107 8.66
24 Union Bank of India 68 1.78 43 5.60
24 United Bank of India 33 1.82 51 1.43
25 UCO Bank 47 1.25 45 2.88
26 Vijaya Bank 16 20.81 40 5.21
Outside India (Data provisional)